

Message Text

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21

ACTION ARA-10

INFO OCT-01 EUR-12 ISO-00 CIAE-00 DODE-00 PM-04 H-02

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R 202053Z AUG 76

FM AMEMBASSY CARACAS
TO SECSTATE WASHDC 4461
INFO AMEMBASSY BOGOTA
AMEMBASSY MOSCOW
AMEMBASSY QUITO
AMEMBASSY SANTIAGO
AMEMBASSY PANAMA
USCINCSO QUARRY HEIGHTS
CINCLANT NORFOLK VA

C O N F I D E N T I A L CARACAS 10127

E.O. 11652: GDS

TAGS: PFOR, PINT, ENRG, PINS, SWEL, EFIN, ELAB, OVIP, VE
SUBJECT: THIS WEEK IN VENEZUELA

REF: CARACAS 9863 (NOTAL)

SUMMARY. PRESIDENT PEREZ HAS CONTINUED TO MOVE ADROITLY TO DEFUSE THE CRITICISM FROM THE DETENTION OF DEPUTIES MEZA AND HERRERA BY MEETING WITH URD PRESIDENT VILLALBA. FURTHER, THES WEEK THE SUPREME COURT DECIDED ANY DECISION ON THE CASE WILL NOT COME UNTIL NEXT WEEK AT THE EARLIEST, THUS AVOIDING THE POSSIBILITY OF A FULL-SCALE DEBATE ON THIS ISSUE IN THE LEGISLATURE. OIL PRODUCTION AND EXPORTS HAVE INCREASED DRAMATICALLY SINCE THE BEGINNING OF THE YEAR. THE GOV IS ANTICIPATING A BIGGER BUDGET IN 1977. A NEW VICE MINISTER OF LABOR HAS BEEN APPOINTED. THE SOVIET UNION WILL HOST SEPARATE VISITS BY PRESIDENT PEREZ AND A VENEZUELAN CONGRESSIONAL DELEGATION BEFORE THE
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YEAR'S END. PANAMANIAN ROAD SHOW ON THE CANAL

NEGOTIATIONS IN TOWN. ONE MINOR PARTY WRACKED BY INTERNAL STRIFE WHILE ANOTHER IS BORN. CHAMBER OF DEPUTIES CONDEMNS BOTH CHILE AND ECUADOR. END SUMMARY.

1. SUPREME COURT DELIBERATES DEPUTIES' DETENTION. FOLLOWING LAST WEEK'S REQUEST BY THE SUPREME COURT TO THE MILITARY TRIBUNAL TO REVIEW THE EVIDENCE AGAINST DEPUTIES FORTUNATO HERRERA AND SALOM MEZA, WHO THE GOV HAS ACCUSED OF BEING ACCOMPLICES IN THE KIDNAPPING OF WILLIAM NIEHOUS, THE TRIBUNAL TURNED OVER ITS DOSSIER TO THE SUPREME COURT ON AUGUST 16 (CARACAS 9978). COURT PRESIDENT MARTIN PEREZ GUEVARRA ANNOUNCED THAT THE COURT WOULD NOT BE HURRIED IN DECIDING WHETHER THE DEPUTIES COULD CONTINUE TO BE DETAINED WITHOUT LIFTING THEIR PARLIAMENTARY IMMUNITY; THE COURT'S DECISION IS NOT EXPECTED BEFORE NEXT WEEK. SHOULD THE COURT RULE THAT THE DEPUTIES' IMMUNITY MUST FIRST BE LIFTED IN THE MANNER PRESCRIBED IN THE CONSTITUTION, THE MATTER WILL PASS TO THE STANDING COMMITTEE OF CONGRESS, AS A RESULT OF THE CONGRESSIONAL RECESS WHICH BEGAN AUGUST 19, FOR FINAL DECISION. MEANWHILE THE RESPECTED URD PRESIDENT JOVITO VILLALBA MET WITH FORMER PRESIDENT RAFAEL CALDERA ON AUGUST 18 AT HIS OWN INITIATIVE AND PRESIDENT PEREZ ON AUGUST 19 AT THE LATTER'S REQUEST. VILLALBA SUBSEQUENTLY TALKED WITH MAS SECRETARY GENERAL POMPEYO MARQUEZ AS WELL. THE SUBSTANCE OF VILLALBA'S TALKS WITH THE THREE POLITICAL LEADERS HAS NOT BEEN REVEALED. THIS IS SEEN AS AN EFFORT BY PEREZ TO GARNER OPPOSITION PARTY SUPPORT IF THE ISSUEREACHES THE STANDING COMMITTEE.

2. OIL PRODUCTION AND EXPORTS INCREASE. OIL PRODUCTION AND EXPORTS HAVE STEADILY INCREASED FROM VERY LOW LEVELS EARLY THIS YEAR. PRODUCTION FOR 1976 IS NOW AVERAGING 2.24 MILLION BARRELS PER DAY, WELL BELOW OUTPUT OF THE EARLY 1970'S BUT IN ACCORD WITH THE GOV'S PRODUCTION GOAL. MINES MINISTER VALENTIN HERNANDEZ STATED THIS WEK THAT VENEZUELA WILL MAINTAIN ITS POLICY OF HOLDING EXPORTS AT 2 MILLION BARRELS PER DAY LEVEL, EVEN THOUGH BUYERS ARE CURRENTLY SEEKING UP TO 2.6 MILLION.

3. 1977 GOV BUDGET WILL BE HIGHER. FINANCE MINISTER HECTOR HURTADO HAS ANNOUNCED TENTATIVE CABINET APPROVAL OF A BS. 34.8 BILLION BUDGET FOR 1977. THE BUDGET, SOME 5 PERCENT HIGHER THAN IN 1976, WILL BE SUBMITTED TO CONGRESS IN EARLY OCTOBER. THE CONFIDENTIAL

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PUBLIC INVESTMENT CREDIT FUND (CARACAS 9498), WHICH RECEIVED CONGRESSIONAL APPROVAL AUGUST 17, WILL INCREASE THE GOV'S TOTAL 1977 RESOURCES TO APPROXIMATELY BS. 38 BILLION.

4. NEW VICE MINISTER OF LABOR. FERMIN HUIZI CORDERO, FORMER VICE PRESIDENT OF THE WORKERS BANK, HAS BEEN APPOINTED DIRECTOR GENERAL (VICE MINISTER) OF THE LABOR MINISTRY REPLACING JOSE BLANCO GONZALEZ, WHO "RESIGNED." BLANCO'S DEPARTURE COMES AFTER

ONLY 6 MONTHS IN OFFICE AND IS GENERALLY THOUGHT TO HAVE BEEN PROMPTED BY FRICTIONS WITH LABOR MINISTER JOSE MANZO GONZALEZ. DESPITE THE SUDDEN CHANGE, THE VICE MINISTERIAL SLOT REMAINS FIRMLY IN THE HANDS OF THE "OLD GUARD" AD LEADERSHIP OF THE VENEZUELAN WORKERS CONFEDERATION (CTV).

5. THE VENEZUELAN ARE COMING. FOLLOWING AN AUGUST 16 MEETING WITH PRESIDENT PEREZ, SOVIET AMBASSADOR KAZIMIROV ANNOUNCED THAT PEREZ HAD ACCEPTED AN INVITATION TO VISIT THE USSR LATER THIS YEAR. IN FACT, AMBASSADOR KAZIMIROV TOLD US THAT THIS WAS NOT PRECISELY THE CASE, SINCE PEREZ FIRST ANNOUNCED EARLIER THIS YEAR THAT HE WAS GOING TO MOSCOW. KAZIMIROV THEN CABLED HOME FOR FORMAL INVITATION. IT IS UNDERSTOOD THAT THE VISIT WILL PROBABLY BE IN EARLY DECEMBER AFTER PEREZ VISITS OTHER EUROPEAN CAPITALS. PRIOR TO THE PRESIDENT'S VISIT, A VENEZUELAN CONGRESSIONAL DELEGATION HEADED BY CONGRESS PRESIDENT GONZALO BARRIOS WILL MAKE A 10-DAY VISIT TO THE USSR IN SEPTEMBER AT THE INVITATION OF THE SUPREME SOVIET. BARRIOS LED A SIMILAR MISSION TO EASTERN EUROPE LAST YEAR.

6. PANAMANIAN ROAD SHOW. A PANAMANIAN PR TEAM HEADED BY EX-FOREIGN MINISTER JUAN TACK ARRIVED IN VENEZUELA AUGUST 18 TO INFORM THE CHIEFS OF STAFF OF THE VENEZUELAN ARMED FORCES AND GOV OFFICIALS OF THE GOP VIEW OF THE CANAL NEGOTIATIONS. THE TEAM, COMPOSED OF PANAMANIAN MILITARY OFFICERS AND CIVILIANS, REPORTEDLY WILL GIVE BRIEFINGS SUPPLEMENTED BY MOVIES ON THE CANAL'S SECURITY AND THAT OF THE HEMISPHERE. THEY ARE EXPECTED TO DEPART OVER THE WEEKEND.

7. MINOR PARTY ACTIVITIES. AN ATTEMPT TO SETTLE THE CONTINUING LEADERSHIP CRISIS IN THE CCN, A MINISCULE PEREZJIMENISTA PARTY, FAILED AUGUST 15 WHEN A PARTY CONVENTION IN MARACAIBO BROKE UP IN CONFUSION FOLLOWING THE FIRING OF SHOTS INTO THE AIR BY DISIP
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AGENTS OUTSIDE THE MEETING PLACE. RIVAL FACTION LEADERS ACCUSED FOLLOWERS OF THE OTHER OF CAUSING THE DISTURBANCE AND ONE INDICATED HE WOULD CHARGE INTERIOR MINISTER OCTAVIO LEPAGE BEFORE THE SUPREME ELECTORAL COUNCIL WITH RESPONSIBILITY FOR DISIP'S ACTION. MEANWHILE THE FLEDGLING MOVEMENT OF NATIONAL RENOVATION (MORENA), THE RESULT OF A SPLIT IN URD, HELD ITS FIRST CONVENTION AUGUST 14 AND NAMED JUSUS GATAS AND LEONARDO MONTIEL ORTEGA PRESIDENT AND SECRETARY GENERAL RESPECTIVELY.

8. CHAMBER OF DEPUTIES CONDEMNS CHILE AND ECUADOR. THE CHAMBER OF DEPUTIES AUGUST 16 UNANIMOUSLY CONDEMNED THE GOC'S "ARBITRARY" EXPULSION OF CHILEAN LAWYERS EUGENIO VELAZCO AND JAIME CASTILLO LAST WEEK AND CALLED FOR RECONSIDERATION OF THE "UNJUSTIFIED MEASURE." IN A SECOND RESOLUTION THE CHAMBER PROTESTED THE GOC'S DETENTION AND EXPULSION OF VENEZUELAN BISHOP MARIANO PARRA LEON,

WHO ATTENDED THE MEETING OF CATHOLIC PRELATES IN ECUADOR
BROKEN UP BY THE GOE LAST WEEK, AS AN AFFRONT TO THE DIGNITY OF
BISHOP PARRA AND THE VENEZUELAN PEOPLE. PRESIDENT PEREZ SENT A
TELEGRAM ON AUGUST 16 TO THE BISHOP, WHO IS HOSPITALIZED IN QUITO
WITH A HEART PROBLEM, AND ON THE SAME DAY IN AN INTERESTING
JUXTAPOSITION OF EVENTS DECORATED OUTGOING ECUADORIAN AMBASSADOR
YCAZA PLAZA FOR HIS SERVICE HERE.
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